



Ernie Fletcher
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July 14, 2006

Honorable Robert L. Brown
Attorney at Law
Robert L. Brown Law Offices
1005 South Main Street
Suite 101
Corbin KY 40701

Re: Case No. 2004-00444

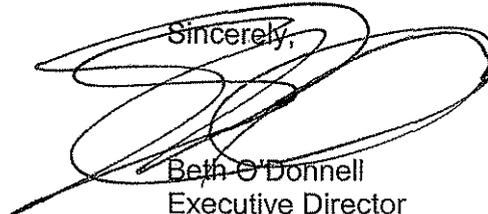
Dear Mr. Brown:

In Case No. 2004-00444 the Commission approved Citipower, LLC's plan of reorganization. As part of that reorganization, Citipower provided a journal entry that included a reduction to accumulated depreciation of \$437,121. However, in its 2005 annual report, Citipower shows a reduction of \$198,922. Please explain why the reduction to accumulated depreciation to effect the reorganization was less than that provided in Case No. 2004-00444.

In addition, page 1 of the annual report states that "Citipower owns 100% of Citigas, LLC, and Citipower owns 87.52% of LBU, LLC". Please explain this statement given that Citipower's ownership interests in these companies were to transfer to CitiEnergy, LLC as part of the reorganization.

A response is requested within 15 days of the date of this letter. If you have any questions, please call Chris Whelan of the Commission Staff at (502) 564-3940, ext. 233.

Sincerely,



Beth O'Donnell
Executive Director

cc: Main Case File
Case No. 2004-00444
Hon. David E. Spenard